

January 23, 2004

MAINE PUBLIC UTILITIES COMMISSION
Maine Telecommunication Education Access
Fund

PROCEDURAL ORDER
(Opportunity to Comment)

I. Summary

In this Procedural Order, the Commission seeks comments on a recent request from the Board of Trustees of the University of Maine System (UMS) for funding from the Maine Telecommunication Education Access Fund (MTEAF) to purchase access to electronic databases.

II. Description Of Request

The Commission received a letter¹ from UMS on January 15, 2004 requesting \$510,000 for Fiscal Year 2004 and \$520,000 for Fiscal Year 2005² to continue providing access to electronic databases, statewide. The letter explains how UMS has purchased access to over 7000 magazines and journals (and indexing for thousands more), 500 news sources, Britannica Online and additional business resources during the last two years. Usage of the databases by the public and students has increased in each of the past three years.

MTEAF provided funding for access to these databases in FY 2002 and FY 2003 as required by Public Law 2002, Chapter 522. The law was silent as to funding in years beyond 2003. However, the law also amended Title 35-A M.R.S.A. § 7104-B to allow the MTEAF to be used to fund “content” (as well as telecommunication services, internet access, internal connections, computers and training). 35-A M.R.S.A. § 7104-B(4)(F). It also added a guideline for funding: “To provide for electronic database content to be used for the purposes of accessing information by schools and libraries.” 35-A M.R.S.A. § 7104-B(5)(H). Therefore, it appears that purchasing access to the databases described by UMS in its request is eligible for funding under MTEAF.

¹ The letter which can be viewed at the Commission's virtual case file at <http://mpuc.informe.org> by entering the Docket No. 2001-223.

² The Commission requests that UMS explain why it is requesting \$510,000 and \$520,000 when the attachments to its letter appear to show a contribution from MTEAF of \$500,000 for each year.

III. Availability of Funds

The Commission's primary focus has been on providing all schools and libraries with a sufficient connection to the Internet. Most MTEAF spending authorized by the Commission is for that purpose. The Commission currently has two other requests for funds pending: from the Department of Education Maine Learning Technology Initiative for \$2.25 million for FY 2004 and from the State Library for \$174,720 to support Internet connections for libraries choosing not to accept Federal E-Rate funds due to filtering requirements.

On January 13, 2004, the Commission issued a procedural order seeking comments on those requests. As explained in that order, as of January 2004, the MTEAF has a balance of \$2,172,338. Federal E-Rate applications for 2002 and 2003 of approximately \$3 million for each year remain under review by the School and Library Division (SLD) of the Universal Service Administrative Company (the Federal Communication Commission's contractor for administering the Federal E-Rate program). If SLD approves these E-Rate applications, sufficient funds will exist to provide the \$2.25 million requested, consistent with other legislative mandates. However, the timing of the awards of Federal E-Rate funding remains unknown.

The Commission invites comments on whether it should approve the UMS request and/or condition approval on the receipt of Federal E-Rate funding. Because there is often a lag in the awarding of funding, the Commission requests comments on whether the MTEAF should maintain a balance of at least \$1 million (or some other amount) to cover current expenses (which will eventually be reimbursed by Federal E-Rate).

IV. Filing Comments

Notice of this opportunity to comment will be posted on the Commission's website and mailed to persons who have previously commented in this Docket. Any interested person may submit comments either by mail to the Maine PUC, 18 State House Station, Augusta, ME, 04333-0018; or by e-mail to maine.puc@state.me.us, by February 9, 2004. Commenters may also file comments using the Commission's Electronic Filing system, accessible at <http://www.informe.org/puc/upload.html>.

Dated at Augusta, Maine, this 23rd day of January, 2004.

BY ORDER OF THE PRESIDING OFFICER

Joanne B. Steneck